

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE PULASKI COUNTY)
WATER DISTRICT NO. 2, A WATER DISTRICT)
ORGANIZED PURSUANT TO CHAPTER 74 OF THE)
KENTUCKY REVISED STATUTES, OF PULASKI)
COUNTY, KENTUCKY, FOR (1) A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY,)
AUTHORIZING AND PERMITTING SAID WATER)
DISTRICT FOR ADDITIONS AND IMPROVEMENTS)
TO THE WATERWORKS DISTRIBUTION SYSTEM)
CONSISTING OF PUMPING STATIONS, WATER)
STORAGE TANKS AND THE NECESSARY DISTRI-)
BUTION SYSTEM AND LINES NEEDED TO SERVE)
WATER TO SAID DISTRICT EXPANSION AREA,)
(2) APPROVAL OF THE PROPOSED PLAN OF)
FINANCING OF SAID PROJECT, AND (3) AP-)
PROVAL OF THE WATER RATES PROPOSED TO BE)
CHARGED BY THE DISTRICT TO CUSTOMERS OF)
THE DISTRICT)

CASE NO. 9199

O R D E R

It is ordered that Pulaski County Water District No. 2 ("Pulaski") shall file an original and eight copies of the following information with the Commission, with a copy to all parties of record, by April 11, 1985, or two weeks from the date of this Order, whichever is later. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Please submit a detailed explanation of the change in the Operating Revenue Account 461--Metered Sales to Customers during the months of October, November and December of 1984, as shown below:

<u>Month</u>	<u>Account No. 461</u>
August	\$11,074
September	12,526
*October	20,170
*November	<768>
*December	8,265

2. Please submit an explanation as to why, for the month of February, 1984, Account 601--Purchased Water Expense was greater than Account 461--Metered Sales to Customers.

3. With regard to Account 132--Temporary Cash Investments, submit the following information for the year 1984:

- Type of investments.
- Applicable interest rate per type of investment.
- Monthly balance of each investment.
- Interest income earned per month.
- The account the interest income is reported in, reconciled to the 1984 comparative income statement.
- The journal entries reflecting the changes in the account since January 1, 1981.

4. Provide the explanation for retiring all of the outstanding bonds at 5 1/2 percent during 1982.

5. Submit a detailed explanation for the changes in the manager/chairman's salary as shown below:

<u>Manager & Chairman</u>	<u>Year</u>	<u>Manager's Salary</u>	<u>Chairman's Salary</u>
Charles Pierce	1982	\$ 450/mo.	\$ 50/mo.
Charles Pierce	1/83-7/83	450/mo.	50/mo.
	8/83-11/83	* 550/mo.	* 100/mo.
J. C. Tarter	12/83	* 900/mo.	* 200/mo.
J. C. Tarter	1/84-3/84	*1,000/mo.	* 100/mo.
	4/84	1,000/mo.	* 50/mo.
	5/84-10/84	1,000/mo.	* -0-/mo.
	11/84	1,000/mo.	* 25/mo.
Lewis Shadoan	12/84	1,000/mo.	* -0-/mo.

6. As requested in the first information request Item 4(b), please submit an estimated number of hours worked per week by the manager before and after the position included meter reading. In addition, submit a schedule showing the cause of the anticipated 50 percent increase in the manager's workload and include the additional estimated number of hours of work needed to accomplish this increase in workload.

7. Please submit copies of the fiscal court orders creating the Districts, and copies of the orders of the County Judges' appointments of the commissioners.

8. Provide a comparative balance sheet for the years 1983 and 1984.

9. With regard to the accounting and collecting expense pro forma adjustment, submit the calculations and assumptions used to determine the cost of \$13.08 per customer per year. In addition, provide an explanation of the miscellaneous charges-telephone billing per the invoices of Kentucky Rural Electric Cooperative Corp. submitted and show how this charge is calculated. Please provide another copy of the July, 1984, invoice, since the one submitted is illegible.

10. Provide the calculations and assumptions used to determine the average present cost of \$77.14 per customer per year of purchased water. Also provide the estimated water usage by the company for 1984 and the resulting line loss. Provide the estimated water usage by the company and percentage line loss after the extension.

11. As requested in the first information request, Item 8, submit a schedule of the present rates charged by Kentucky Water Service.

12. As requested in the first information request, Item 10, provide a detailed explanation, including copies of workpapers, of the calculations and assumptions used to determine the 10 percent increase in "power for pumping" per residential customer. Provide a schedule showing the estimated KWH used by the existing two pumping stations before and after the extension, the proposed additional pump in the existing station, and the proposed additional pumping station. Also, include the estimated hours per day the aforementioned pump and pumping stations are in use. Please submit the calculations and assumptions used to determine the actual average cost of power for pumping per residential customer as shown on page 2, Item 10, of the response submitted for the first information request.

13. Provide the reasoning for basing the pro forma adjustment of maintenance of mains on a 3-year average with a 100 percent increase. In addition, please submit copies of the invoices of the 1984 maintenance of Mains Expense Account reconciled to the account total per the Comparative Income Statement.

14. Provide the reasoning for basing the pro forma adjustment of maintenance of meters on a 3-year average cost per customer. In addition, please submit copies of the invoices of the 1984 maintenance of Meters Expense Account reconciled to the account total per the Comparative Income Statement.

15. Provide the miscellaneous service revenue due to reconnection charges for the years 1981 through 1983 and the amount charged per reconnection for each year.

16. As requested per the first information request, Item 13, provide the reasoning for basing the pro forma adjustments of the following accounts on the estimated increase in residential customers calculated on the relationship of the test-year expense (revenue) per residential customer.

- a. Pumping Expenses--Operation Supplies and Expense.
- b. Office Supplies and Expense.
- c. Miscellaneous Expense.

17. As requested per the first information request, Item 13(f), provide an analysis of the Miscellaneous Expense Account reconciled to the Comparative Income Statement. Items of \$50 or less may be grouped with a general description of the cost included in each group. Include in the analysis the following:

- a. A description of the services, materials and/or labor provided in each transaction.
- b. The payee.
- c. The amount and the date.
- d. The check or voucher number.

18. As requested per the first information request, Item 14, provide an analysis of the Transmission and Distribution Expense--Operation Supplies and Expense Account reconciled to the Comparative Income Statement. Items of \$50 or less may be grouped with a general description of the costs included in each group. Include in the analysis the following:

- a. A description of the services, materials and/or labor provided in each transaction.
- b. The payee.
- c. The amount and the date.
- d. The check or voucher number.

19. Provide copies of the invoices for the Maintenance of Hydrant Account for the year 1984 reconciled to the Comparative Income Statement.

20. Submit an analysis of the Property Insurance Account reconciling to the Comparative Income Statement, including the following:

- a. A description of each transaction.
- b. The amount and the date.
- c. The check or voucher number.

In addition, submit an explanation as to why workers compensation expense is included in this account.

21. As requested in the first information request, Item 17, provide a depreciation schedule for the proposed expansion reconciling to the Comparative Income Statement pro forma adjustment for depreciation expense. For each capital asset of the proposed expansion, please provide the following:

- a. Description of asset.
- b. Estimated cost.
- c. Estimated life.
- d. Depreciation expense for the adjusted test year.

Done at Frankfort, Kentucky, this 28th day of March, 1985.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary